FOR MYSORE STATE

Dev (1950) Department

MC SERIES.

G.O. No. 2571

Dated 28 6 50

[Despatch Abstract.]

Iron and Steel Steel Processing
Factories transferred to the State
~~xxxx~~ list Distribution of the Sp
~~xxxx~~ Placed at the State Crest Is
~~xxxx~~ disposal Further Instructions &c
~~xxxx~~ orders Passed

IMMEDIATE.

No.I(1)-12(158)
Government of India,
Ministry of Industry and Supply

New Delhi, the 18th April 1950.

To

All State Governments.

Subject: Allotment of steel to Steel Processing Factories.

Sir,

I am directed to say that, as announced by the Priority Authority at the Steel Allocation Meeting held on the 15th March 1950, all steel processing factories which are running on power and registered under the Indian State Factories Act before the 20th March 1950 have been made eligible, with effect from period III/50, for allotment of steel from the Steel Processing Industries Quota, whereas formerly only factories registered before the 1st April 1946 were considered eligible.

2. As a result of the above decision, it is considered that the work of alloting steel to the Steel Processing Factories should be divided between the Centre and the States. The Directorate General, Industries and Supplies have accordingly been asked to classify all steel processing factories registered before the 20th March 1950 into the following categories.

(1) Factories engaged solely or in conjunction with other work in structural fabrication.

(2) Manufacturers of drums and tin containers (including food containers).

(3) Other steel processing factories employing 100 or more labourers before the 20th March 1950.

(4) Others.

3. With effect from period IV/50, the work relating to the allotment of steel to factories falling under category (iv) will be transferred to the State Governments and a separate quota of steel will be placed at their disposal for this purpose every quarter beginning from Period IV/50.

4. The Directorate General, Industries and Supplies will shortly send to every State Government a statement showing the allotments made in period III/50 to the factories which are located in the State and which fall under category (iv) above. These allotments will form the basis for determining the quota to be placed at the disposal of the State Governments from period IV/50.

5. The Directorate General, Industries & Supplies are also informing the factories concerned that they should apply to the respective State Governments for their quotas of steel for period IV/50. The State Government may also consider issuing a Press Note announcing the new arrangement. They may also issue a warning that no factory established after the 20th March 1950, will be eligible for allocation of steel unless prior approval of the State Government is taken Before its establishment.

6. The State Government will continue to forward to Directorate General, Industries and Supplies applications from factories falling under categories (i) to (iii) referred to in para 2 above.

Yours faithfully,
(C.R.Natesan)
Deputy Secretary to the Govt. of India.

Co

-True copy-

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IMMEDIATE

No.I.(I)-12(158).
GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY AND SUPPLY
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NEW DELHI, the 3rd May, 1950.

To

All State Governments.

Subject:- Allotment of steel to steel processing factories.

Sir,

I am directed to refer to paras 2 and 3 of this Ministry's letter No.I(I)-12(158), dated the 18th April, 1950 and to say that it has since been decided that the factories falling under the following categories will also be retained on the list of the Directorate General of Industries and Supplies and will not be transferred to the State Governments from period IV/50:

(1) Central Government Workshops.

(2) Educational Institutions sponsored by the Ministry of Education, Government of India.

(3) Factories engaged in the manufacture of drums and containers in addition to any other articles.

Yours faithfully,

Sd/. N.R. Reddy.

Under Secretary to the Government of India.

Copy to the Directorate General of Industries and Supplies, New Delhi with reference to their U.O.No.DM.(S)/96(49)/III/3017, dated the 21st April, 1950.

It is considered that workshops under the control of the State Governments and educational institutions not sponsored by the Ministry of Education should be transferred to the State Governments.

Copy also to:

1. Iron and Steel Controller, Calcutta.
2. All State Licensing Authorities.

Sd/. N.R. Reddy.
Under secretary to Govt of India

Dev. Deptt.

DRAFT PRESS NOTE, 106 dated 5-6-50

At present Steel Processing Factories, which were registered under the Indian Factories Act and have been using power before 1-4-1946 are only eligible to get allotments of iron and steel from the Steel Processing Industries Quota administered by the Directorate-General of Industries and Supplies, Ministry of Industry and Supply, New Delhi. The Government of India have now relaxed this condition and have ordered that with effect from Pd.III/50 (July to September 1950) all Steel Processing Factories, which were registered under the Indian State Factories, which were registered under the Indian State Factories Act, and have been using power before 20-3-50 are eligible for allotment of Iron and Steel from the Steel Processing Industries Quta. They have also decided that the work of alloting steel should be divided between the Centre and States and have, for that purpose, classified the steel processing factories as follows:-

(1) Factories engaged solely or in conjunction with other work in structural fabrication.

(2) Manufacturers of drums and tin-containers (including food containers).

(3) Other Steel Processing Factories employing 100 or more labourers before 20-3-50.

(4) Central Govt. Workshops.

(5) Educational Institutions sponsored by the Ministry of Education, Govt. of India.

(6) Factories engaged in the manufacture of drums and tin-containers in addition to any other articles.

(7) Others.

Factories falling under classes(1)to (6) above will continue to get their requirements from the Directorate. General of Industries and Supplies, Ministry of Industry and Supply, New Delhi as at present.

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2. Factories falling under class (7) above will be allotted iron and steel from a separate quota to be placed at the disposal of the State Government every quarter beginning from Pd.IV/50 (October-December).

This class of factories should apply at once in the prescribed form to the Director of Industries & Commerce, Madras. furnishing full particulars called for therein. The quota allotted for them will be distributed by the D.C.C. against permits on the registered stockholders.

No factory established after 20th March, 1950 will be eligible for the allocation of iron and steel unless prior approval of the State Government is taken before its establishments,

-True copy-

Copy to the D.C.C.
Copy to the D. I & C.
Copy to All other Heads Deptts.
Copy to All Deptts. of Sectt. Except Dev. Legal, Finance and Legislature.
Copy to Govt. of India Ministry of Industries & Commerce, New Delhi.
The Director General (I (I & S). New Delhi
I & S. Controller, Calcutta.
Copy to D.I.
Copy to D.II.

Iron and Steel - Steel Processing Factories transferred to the State Government's list - Distribution of the special quota placed at State Government's disposal - Further instructions etc --Orders passed.

-x-x-x

-8-

Director of Industries & Commerce and the Director of Controlled Commodities. The Director of Industries & Commerce is requested to state whether he has received the statements and lists referred to by the Director General (Industries & Supply)

4. The proposal of the Director of Controlled Commodities to pass the separate, quota of steel also through the Registered Stockholders contained in para 3 of his letter read above is not accepted by the Government., as it will affect the interests of the Steel Processing Factories in that they will not be able to get the materials at col.I or Co.II rates as they do at present and as the acquisition from the Registered Stockholder will involve considerable delay.

(BY ORDER OF HIS EXCELLENCY THE GOVERNOR)

V. Kotiswara Rao.

Sd/- ~~P.S. Viswanatha Ayyar.~~
Secretary to Government.

To
The Director of Controlled Commodities
The Director of Industries & Commerce,

-True copy-

RR.23-8

K. Shankar

K.V. Anthyalakshmi

Superintendent.

Note File

-1-

Issued as Letter No.34639L/50-6 dated 9-6-1950.
Issued as Endt. No.34639 L/50-7, dated 9-6-1950.
From the D.G.I & S. No.DN(S)196(49)/III/3737 d/16-19-6-1950.
From the D.C.C., Rc.KSC/52730/E1/50/711 dated 16-6-1950.

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The Govt. of India have relaxed the conditions for allotment of iron and steel to the Steel Processing Factories, viz., the Steel Processing Factories which have been registered under the Factories Act and using power upto 20-3-50 will now be eligible to get allotments from the Steel Processing Industries quota instead of the existing condition that they should have been registered under the Factories Act and using power before 1-4-46. This relaxation is to take effect from period III/50 i.e. 1-7-50. They have also transferred certain Steel Processing factories of miscellaneous nature to the State Goveernments. and have classified them as "Others". In respect of these factories, the Government of India have proposed to phace at the disposal of the State Governments special allotments from Pd.IV/50 i.e. from 1-10-50 for distribution by the State Governments, themselves. After consulting the D.C.C. orders were issued to the effect that the D.I. & C. should invite every quarter applications from the Steel Processing Factories classified as "Others" scrutinise and forward them to the D.C.C. with his recommendations for making allotments from the special quota referred to above. A Press Note announcing the revised procedure of the Government of India for the distribution of steel to S.P. Factories was also issued as requested by the Government of India.

2. The D.I. & C. has stated that, as the applications from the steel Processing Factories have to be routed through this Deptt and forwarded to the D.C.C. with his recommendations, the quota of steel allotted every quarter

should be known before recommendations are made as to the specific quantities that should be allotted to the various factories. He has further suggested that, as in the case of the cottage Industries quota, the quota for S.P. Factories may be placed at his disposal, for allocation limiting the powers of the D.C.C. to issue permits for the allocations made by the D.I. & C.

Intimation of quarterly allotment of Special quota:

The D.G. (I & S). New Delhi was addressed to intimate the quantity allotted to this State for S.P. Factories classified as "Others". He has stated that this information must have already been furnished by the Government of India, if not, they may be contacted in that regard. The Government of India have since communicated the allotment to this State for Pd.IV/50 and it comes to 915 tons. This information has been communicated to D.C.C. & D.I.& C. etc. There is no need to address the Govt. of India in this matter. There is also no necessity to reply to the D.G.(I & S). The D.I & C.'s attention may be drawn to the Government of India's communication.

The D.G. (I & S) was also addressed to furnish a list of S.P. Factories classified as "Others" stating allotments made to them during Pd.III/50, as directed by the Govt. of India. The D.G. has now stated that copies of recommendation letters allotting steel to S.P. Factories have in each case been endorsed to the D.I & C. and that, in addition to this, separate lists of factories both 'regular' and 'New Comers' which have been transferred to the State Govt. list and of factories, which have been retained on the central list showing the capacity assessed for each have also been sent to the D.I. & C. The Director of Industries & Commerce may be asked to state whether he has received these statements and lists.

D.I. & C.'s suggestion to place the quotas at his disposal limiting the powers of the D.C.C. to issuing permits:-

The D.C.C. who was consulted in the matter, has agreed to the D. I. & C.'s suggestion and he has also sent a copy of his letter to the latter. Orders may therefore issue to the effect that the D.C.C. will intimate the D.I.& C. ~~xiii~~ the quota allotted every quarter without delay that the D. I. & C. will allocate the ~~xxxxxxxxx~~ quotas to the various S.P. Factories and forward to the D.C.C. before the specified date a bill of such factories showing the allocations and that the D.C.C will issue quota certificates to the factories on receipt of the list from the D. I & C.

The D.C.C. has also suggested that, as the Govt. of India have stated that S.P. Factories should continue to get quota certificates so as to enable them to place orders on controlled stockholders or producers as before, ~~and~~as for Pd.IV/50 the last date for furnishing breakup of categories against the allotment of 915 tons made for that period is fixed as 15th July, 1950 and the last date for issuing quota certificates has been fixed as 7th August 1950, the D. I. & C. may be asked to furnish in time the necessary particulars viz., the list of allottees with the tonnages recommended for release to each, together with a summary of total quantities recommended for release in each category separately. Orders may be issued accordingly.

Distribution of the special quota thro' Regd. Stockholders:

The D.C.C. has further suggested that, as the State quota is too meagre, the Government of India may be addressed so that the special quota may also pass through the Regd. stockholders from Period I/51 instead of through the controlled stockists. The Govt. of India have decided that the S.P. Factories transferred to the charge of the

State Governments should continue to get quota certificates, so that they may place orders on controlled stockholders or producers as before. If seems that the Government of India's intention for such a decision appears to be that these factories should not be put to inconvenience by their transfer to the State Govt., that they should get the materials direct from the Producers or controlled stockholders without delay and that the most important reason being that these factories should get the materials from producers or controlled stockholders at Col.II rates which are considerably less than Col.III rates, at which Regd. Stockholders should sell the materials. In the interest of the Industrial development and to least disturb the factories, it is desirable that the existing arrangement of issuing quota certificates on producers or controlled stockists should continue irrespective of the fact that allotments may be small. It is therefore for orders whether, in view of the above the D.C.C's proposal need be considered. A. draft Order is submitted for approval

NO
Sd/- 27.1.50

The case may be circulated to H.M.(Ind)

Sd/..... D.S. 28-6-50.

Sd/. C.P. 28-6- H.M(Ind).

-True copy-

(Issued as Govt. Memo. No 2571 Development dt. 28.6.50)

Superintendent.

RR.25-8

K. Shanbag 28/8/0

K.V. Ambrigalakshmma.